

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7295

BILL NUMBER: HB 1621

DATE PREPARED: Jan 7, 2001

BILL AMENDED:

SUBJECT: State Long-Term Care Ombudsman.

FISCAL ANALYST: Kathy Norris

PHONE NUMBER: 234-1360

**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State

STATE IMPACT	FY 2001	FY 2002	FY 2003
State Revenues			
State Expenditures		2,438,000	2,438,000
Net Increase (Decrease)		(2,438,000)	(2,438,000)

Summary of Legislation: This bill appropriates \$2,438,000 beginning July 1, 2001, and ending June 30, 2002, and \$2,438,000 beginning July 1, 2002, and ending June 30, 2003, to the Division of Disability, Aging, and Rehabilitative Services from the State General Fund to use for funding of the State Long-Term Care Ombudsman Program.

Effective Date: July 1, 2001.

Explanation of State Expenditures: This bill appropriates \$2,438,000 annually for FY 2002 and FY 2003 to the Division of Disability, Aging, and Rehabilitative Services to provide additional funding for the State Long-Term Care Ombudsman Program. The bill establishes the appropriation as nonreverting.

Background: The current Long-Term Care Ombudsman Program is primarily federally funded; there is a 15% state matching requirement. Federal funds must be directed towards persons in nursing homes and similar board and care situations, such as assisted living and adult foster care. The current program provides at least one part-time person in each of the 16 Area Agencies on Aging. There are nine full-time Ombudsmen and twenty part-time positions which, in total, constitute fourteen full-time equivalents (FTE). The program is administered at the state level by one staff person, the State Ombudsman. In total, the current program annually expends approximately \$420,000 (combined Federal and State dollars).

An Ombudsman serves as an advocate who seeks to resolve complaints made by or on behalf of people who are consumers of long-term care services. The Ombudsman receives, investigates, and attempts to resolve problems or complaints of residents of long-term care facilities. The Ombudsman is also a community resource, available to answer questions and provide information about long-term care and related (alternative) services.

The Institute of Medicine recommends one full-time equivalent Ombudsman for every 2,000 long-term care beds. The current staffing ratio in Indiana is reported to be one FTE per 5,000 beds. This standard is the basis of the request to expand the existing Long-Term Care program staff.

Long-Term Care Ombudsman Appropriation Request		
New or Expanded Program Components	FY 2002	FY 2003
LTC Staffing Standards Expansion	\$986,000	\$986,000
In-Home Service Expansion	666,000	666,000
Assisted Living & Adult Foster Care Expansion	666,000	666,000
Legal Assistance Contracts	120,000	120,000
Total Additional Appropriation	\$2,438,000	\$2,438,000

The Division of Disability, Aging, and Rehabilitative Services reports that all available federal funds for the Ombudsman Program are being used and that no additional federal funds would be available given additional state matching appropriations. Therefore, any expansion in the program must be accomplished with State General Funds.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Family and Social Services Administration, Division of Disability, Aging, and Rehabilitative Services.

Local Agencies Affected: Area Agencies on Aging.

Information Sources: Susan Preble, Legislative Liaison for FSSA, (317) 232-1149; Arlene Franklin, State Ombudsman, (317) 232-7134.